FOR MYSORE STATE

(1952) Department.

MS. SERIES

G.O. NO. 4735

Dated 6.11.52

[Despatch Abstract.]

Mines- M.L. Iron ore- Bellary dist- Hospet Taluk- Jugligh Vg- S.No. 210 etc — Extt 401-ba acres- Grant to Sri N. Nagappa- Orders issued in G.O.No. 4080 dated 7.10.50- modified —

1

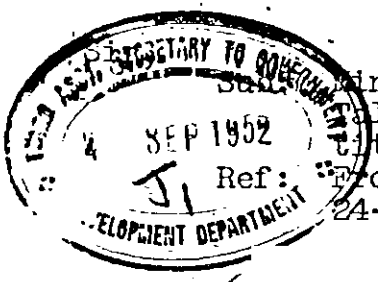
OFFICE OF THE DIRECTOR OF INDUSTRIES AND COMMERCE: MADRAS

From
Sri M.T. Raju, Bar-at-Law, I.C.S.,
Director of Industries and Commerce,
Cathedral P.O. Madras 6.

To
The Secretary to Government,
Development Department,
Fort St. George, Madras.

-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-

Ref. J/3290/52-1 dated 28-8-1952.



Subject: Mining - Mining lease - Iron ore - (Bellary) - Hospet Taluk - Ingaligi Village -S.No. 212-B - protection petition of Sri V. Nagappa - report - submitted.

Ref: From the Collector of Bellary Rc.No.2700/52/A.1 dated 24-7-1952.

pp 3-4 below

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pp 21-26 J

In G.O.Ms.No.4080 Development dated 7-10-1950 Sri Vadde Nagappa of Bellary was granted a mining lease for Iron ore over an extent of 401.64 acres in S.Nos. 210, 211-D, 211-E, 212-B, 213-B and 299 of Ingligi Village, Hospet Taluk for a period of twenty years. Of the aforesaid extents one Sri Srinivasan a political sufferer was granted, in the Collector's R.Dis.8318/49 dated 5-9-1949, assignment of 12-12 acres in S.No.212-B. The Collector of Bellary in his letter Rc.No. 2700/52/A.1 dated 24-7-1952 (copy enclosed) has reported that the mistake has come to the light only when both Sri Srinivasan and Sri V. Nagappa have submitted their petitions on 20-2-1952 and 25-2-52 respectively, claiming absolute rights over the extent of 12-12 acres in S.No.212-B.

pp 3-4 below

2/ The Collector has reported that Sri Srinivasan and Sri V. Nagappa have rights over the land in question the former on the strength of an order of assignment and the latter on the grant of a mining lease and that there is no provision for the cancellation of the mining lease except for breach of any of the conditions of the lease deed and that assignment can be cancelled only if found that the assignment was made under a mistake of fact or owing to misrepresentation or fraud. He has also referred to the conditions in the deed of assignment form 'D' according to which Government have reserved the powers necessary for proper working of the minerals subject to the payment or rendering of compensation to the surface owner for all damages that he may sustain by the exercise of such rights. The

p.t.o.

The Collector has also reported that if the assignee should be deprived of the land, the loan of Rs.300/- granted to him may have to be written off and that if the lessee were to be dispossessed of the land, the Government would stand to lose a pretty large revenue by way of royalty dead rent and surface rent and as the amount of Rs.300/- as compared to the revenue derived from mining would be insignificant has suggested that the assignment of land in S.No. 212-B to Sri Srinivasan may be cancelled and a different plot assigned to him.

3. In this connection, I submit that the land was assigned to Sri Srinivasan in 1949 and that it was no longer at the disposal of the Government when it was granted on mining lease in 1950 to Sri V. Nagappa. I consider that having assigned the land in 1949 to a political sufferer Government had devested themselves of the rights of ownership in respect thereof and that the Government were no longer entitled to grant a mining lease in respect ~~of~~ thereof to another in 1950. The lease granted in 1950 to Sri V. Nagappa must therefore be deemed to have been made under a mistake of fact and ~~will~~ consequently ~~will~~ have to be cancelled. I therefore suggest that the mining lease granted ~~on~~ to Sri Nagappa in G.O.Ms. No.4080 Development dated 7-10-1950 may be modified by excluding therefrom an extent of 12-12 acres in S.No.212-B of Ingaligi Village.

4. The Collector's office records D.Dis.No.8121/49/A.1 dated 7-2-50, R.Dis.No.8318/49 dated 5-9-1949 and R.Dis.No.2674/50 dated 7-5-1951 are submitted herewith for reference and return.

for Director of Industries and Commerce.

sg.29.8.
Encls:

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Copy of the letter Rc. No. 2700/52/A.1 dated 24-7-1952 of the Collector, Bellary addressed to the Secretary to Government, Development Department, Fort St. George, Madras through the Ex Secretary Board of Revenue, Madras.

Sub: Mines - Mining lease - (Bellary District) - Iron ore - Ingaligi Village - S.No.212-B - Hospet Taluk - protection petition of V. Nagappa - report - submitted.

Ref: Government Memorandum No. 21441-J/52-1 dated 15-3-1952.

In G.O. Ms. No. 4080 Development dated 7-10-1950 Sri V. Nagappa was granted a mining lease for 20 years over an extent of 401-64 acres in six S.Nos. of Ingaligi village of Hospet Taluk of which S.No. 212-B is one. The grant was based on the recommendation of the Tahsildar, Hospet in his L.Dis.2137/49 dated 3-8-49. The Tahsildar, Hospet, also recommended in his L.Dis.2256/49 dated 25-7-49, the assignment of S.No. 212-B to Sri Srinivasan a political sufferer. The land was accordingly assigned to the said Srinivasan in this office R.Dis.8318/49 dated 5-9-1949.

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2. The assignee of the land was granted a loan of Rs.300/- in hospet Tahsildar's L.L.L.O. 1/61 dated 2-7-1951 on the security of the above land for the purpose of bringing it under cultivation and it has been reported that he has rendered it cultivable. Sri V. Nagappa the lessee has started mining operations in the area and according to him has paid upto 25-2-52 Rs.13,495/- towards royalty and Rs.1,48,445/- towards Railway freight for exporting Iron ore. The ore referred to by him is probably not the one dug out in S.No. 212-B only..

3. Neither Sri Srinivasan nor Sri Nagappa seem to have known till recently that the land was assigned to the other. On 20-2-52 Srinivasan issued a notice to Nagappa that he (Srinivasan) had absolute right over the land and that he (Nagappa) should vacate it. Nagappa in turn put in a petition to the Collector (with a copy marked to Government) on 25-2-1952 that he has entered into an agreement with a firm at Bombay for supplying one lakh of tons of Iron ore and that he should not be dispossessed of the land.

4. The Tahsildar recommended the grant of the land under dispute to two different persons almost simultaneously. He has now reported that this clash could not be noticed in his office as the two subjects were dealt with by two different clerks and that the Revenue Inspector and the V.Os. failed to bring it to his notice. For the same reason i.e. two different clerks dealing with the two subjects the mistake could not be noticed in the Collector's office also. The Tahsildar however recommends now the cancellation of the M.L. on the ground that it was assigned to Srinivasan earlier.

5. From the legal point of view both Srinivasan and Nagappa have rights over the land, the former on the strength of an order

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of assignment from the Collector and the latter on the grant of a M.L. from the Government. It is seen from the conditions of the M.L. that there is no provision for the Government to cancel the lease except for the breach of any of the conditions laid down in the agreement. According to the conditions of assignment under B.S.O. 15 the assignment cannot be cancelled at the discretion of the Government. It can be cancelled only if found that the assignment was made under a mistake of fact or owing to misrepresentation or fraud. But according to one of the conditions in the title deed in Form D Government have a right to the mines and quarries and they reserve the powers necessary for the proper working of the minerals subject to the payment of or rendering of compensation to the surface owner for all damages that he may sustain by the exercise of such rights.

6. The point at issue is which of the two orders have to be cancelled. The claims of Srinivasan who go the title earlier cannot be ignored. Further the loan of Rs.300/- granted to him may have to be written off, if he is to be deprived of the land. If Nagappa were to be dispossessed of theland, theGovernment would stand to lose a pretty large revenue in the shape of Royalty, dead rent and surface rent. The amount of Rs.300/- as compared to the revenue derived from mining would be insignificant.

7. Considering all the above facts, I suggest that the assignment of the land (S.No.212-B) to Srinivasan may be cancelled and another Government land assigned to him. By this justice would be done to Srinivasan and there will not be any necessity for the Government to write off the loan. It can be realised in due course and the new land to be assigned him will be the security.

8. This office R.Dis.8318/49 dated 5-9-49 dealing with the assignment of the land D.Dis.8121/49 dated 7-2-50 and R.Dis.2674/50 dated 7-5-51 dealing with the grant of the M.L. together with the petition dated 25-2-1952 of Nagappa are enclosed for reference and orders.

Sd/- xx
for Collector.

/ true copy /

Sub: MINES - Mining Lease - Iron Ore - Bellary District - Hospet Taluk - Ingaligi village - S.Nos.210 213 and 299 - Extent 401.64 acres - Grant to Sri Vadde Nagappa - Orders issued in G.O.No.4080 Dev. dated 7/10/50 - Modified.

Read again: G.O.Ms.No.4080 Dev. d/7/10/1950.
Read also: From the Collector of Bellary No.2700/52-A dated 24/7/52.
From the D.I.& C. No.J/3290/52-1 d/28/8/52

G.O(MS) No. 4735 Dated 6-11-1952.

In G.O.Ms.No.4080 Development dated 7/10/50 Sri Vedda Nagappa of Bellary was granted a mining lease for iron ore over an extent of 401.64 acres in S.Nos.210, 211 D, 211 E, 212 B, 213B, and 299 of Ingaligi village, Hospet Taluk, Bellary district for a period of twenty years. It ~~has~~ now been brought to the notice of the Govt. that even before the issue of orders granting the lease, ~~the~~ a plot of 12-12 acres in S.No.212 B of Ingaligi village ~~bearing~~ ~~measuring~~ ~~12.12 acres~~ had been assigned to Sri M.Srinivasan, a political sufferer. The Govt. therefore direct that in partial modification of the orders issued in G.O.Ms.No. 4080 Dev. d/7/10/1950, Sri Vedda Nagappa of Bellary be granted a mining lease for iron ore for a period of 20 years over an extent of ~~39~~ 389.52 acres in S.Nos.210, 211 D, 211 E, 213 B and 299 of Ingaligi village, Hospet Taluk, Bellary district, subject to the same conditions as laid down in G.O.Ms.No.4080 Dev. d/ 7/10/1950.

2. At the time of grant of the lease, both the parties viz. Sri Vedda Nagappa and the Govt. were under mistake of the fact of the assignment of 12-12 acres of the land to Sri Srinivasan, that is to say, regarding the Govt's title over this piece of land. As thus, the lease was granted and taken up under mutual ignorance of facts, Sec.20 of the Contract Act will be attracted and the lease already granted to Sri V.Nagappa, including the ~~above~~ area of 12-12 acres already assigned to Sri Srinivasan, will be rendered void. The Collector is therefore requested to take action for executing a fresh deed in respect of the reduced area.

5.11.52 5-11-52 5/11/52

To The Dist. (with records)
" The Coll. of Bellary.
" Sri. Vadde Nagappa, Mine owner and Contractor, Naddenvanda Bellary.

V. Nagappa
MINE OWNER & CONTRACTOR

Tel. VINAG
BELLARY.

Ref. No.

Dated 18th Nov., 1952

The Secretary to Government
Development Department
Government of Madras
M a d r a s.

20 Nov. 1952
131381
20.11.52

Thro' The District Collector
B e l l a r y.

Sir,

Sub: Mines - Mining lease - Iron Ore - Bellary district - Hospet taluk - Ingligi village Expunging 12-12 acres from area leased 401.64 acres in G.O.Ms.No.4080 Development department dated 7-10-50 - Reconsideration of orders of Government - requested
Ref: G.O.Ms.No.4735 Development department dated 6-11-1952

The applicant begs to submit the following for favour of kind consideration and their early orders:-

(1) Government of Madras, Development department in their order G.O.Ms.4080 Development dated 7-10-50 were pleased to sanction a Mining Lease for a period of twenty years in favour of the applicant. The leased area of 401.64 acres comprises S.Nos.210, 211 D, 211 E, 212 B, 213 B and 299 of Ingligi village, Hospet taluk Bellary district. According to this order the applicant is carrying on systemetic and regular mining operations. In their order G.O.Ms.No.4735 Development department dated 6-11-1952, Government have partially modified their order issued in G.O.Ms.No.4080 Development dated 7-10-1950, the modification being the expunging of an extent of 12.12 acres covered by S.No.212 B of the said Ingligi village from the leased area under the reasons enunciated therein.

(2) That the applicant humbly begs Government to re-consider their orders referred to in para (1) above in the light of the following facts:

(3) the said S.No.212 B along with other numbers was covered in the prospecting and lease applications of the applicant submitted in June 1949. The lease was recommended after observance of all the formalities after receipt of reports from cennerned officials viz. Tahsildar, Revenue Inspector, Karnam and Collector.

P.T.O

Tel. VINAG

V. Nagappa
MINE OWNER & CONTRACTOR

BELLARY.

Ref. No. Dated 195

Para 10 below (4) that the applicant has in his application dated 25-2-52 (copy submitted for re-reference) clearly represented the objects and intention of Sri.M.Srinivasan in threatening the lessee (applicant) with legal action and claim for damages etc., in his notice. It has also been stated by the applicant that the said land is not at all cultivated or any traces of agricultural operation found. The complainant who was all along silent seems to have been suddenly roused and set up by someother mining rivals.

(5) A the said assignment of the land in question is reliably learnt to have been ordered in about 1950 long after the lessee had already applied for the lease in 1949 itself The applicant therefore is entitled for preferential claims. Apart from this the land S.No.212 B though classified as ASSESSED WASTE along with other adjoining lands which are not fit for cultivation is also not suitable for cultivation. This contains good minerals deposits and Government have duly sanctioned the lease based on this consideration, recommendations and reports of the concerned officials. The applicant also understands that such lands containing mines and possessing mineral value should not be assigned on Patta.

(6) the location of the land S.No.212 B is such that it is actually amidst other lands leased to the applicant and expunging this particular land from the lease causes great hindrance to the peaceful working of the applicant, apart from incurring heavy untoward financial loss since he has invested large sums over mining operations and effecting mineral developments. Government have also been encouraging lessees to take on lease such S.No. immediately adjoining the one leased out to them for mining with a view to prevent undue interference by other parties causing inconveniences. For example, the applicant had applied for only a subdivision S.No.243 of Ingligi village and has subsequently agreed to take the said S.No. entirely to prevent encroachments and inconveniences. A sketch showing the position of S.No.212 B is enclosed. (V)

(7) Provision of a separate railway siding to the applicant is engaging immediate attention of Railway administration. This involves heavy financial investment on the part of the applicant but it is an essential facility to facilitate easy and quick transport of ore. The road for this purpose also has to be laid through this S.No.212 B.

P.T.O.

V. Nagappa
MINE OWNER & CONTRACTOR

Tel. VINAG
BELLARY.

Ref. No.

Dated 195

(8) An important financial implication involved in the retention of the S.No.212 B in the lease to the applicant is to be considered by the benign Government. Government are expected to receive most appreciably large sums of money in the shape of Royalties, rents etc., whereas there will be only negligible income in the shape of land cess annually, that too remain unpaid for few years in very many cases for various reasons. For instance, the applicant has credited a huge sum of rupees 13;495 towards royalty and surface rent of rupees 270-13-0 for the period ended 31-12-1951 on 9-1-52, 10-1-52and 6-5-52 respectively. The applicant is expected to remit approximately another sum of about rupees twenty five thousand for the ensuing period ending 31-12-52 @ Re.1/- per ton. Railway administration is also a branch of Government also receives lakhs of rupees of revenue in the shape of railway freight @ Rs.15/ to 22/- per ton on the ore transported by the applicant.

(9) The applicant feels that the statement of Sri.M.Srinivasan complainant, stating that he obtained patta of the said land in 1949 itself, is not correct as the order was during 1950. Sri.M.Srinivasan has not at all carried out or taken any steps to bring the land under plough even till this day. His representation that he collected stones etc., is not true. A personal inspection of the land will reveal the true state of affair. Mining pits will be found on the land.

(10) While appreciating genarosity of benign Government in assigning some land to political sufferers like Sri. M.Srinivasan, the applicant humbly requests the government to assign any other land (government assessed waste land) in favour of the gentleman considering the financial implications involved. The said Sri.M.Srinivasan has also not carried out the conditions of the assignment and he has not only failed to cultivate the land himself has not also even entered upon the land and the land itself is unfit for agricultural operations.

(11) The reference to the Indian Contract Act Section 20 of Indian Contract Act referred to in G.O.Ms.No.4735 Development dated 6-11-52 is irrelevant and incorrect. There was no mistake whatsoever on the part of the applicant. Even on the part of the Government really there was no mistake. On the otherhand the proper section to be applied is section 22 of the Contract Act and as such the applicant's right to S.No.212 B of Ingligi village cannot be re-opened at all.

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13197/51.

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V. Nagappa
MINE OWNER & CONTRACTOR

Tel. VINAG
BELLARY.

Ref. No.

Dated 195

B — On the otherhand in view of the circumstances of this case, Government may grant another land to Sri. M. Srinivasan, the Political sufferer. Situation of the lands leased to the applicant is such that if S.No. 212 B is now deleted the entire lease becomes almost infructuous. A careful perusal of the lie of the land will show it. The applicant therefore prays that ~~the~~ an opportunity to be given to him to explain the situation before the disposal of ~~this~~ this application as the non-compliance of this request will involve heavy damages due to big contracts entered into by the applicant on account of the entire lease.

74 / 861 "

In fine, the applicant humbly prays Government to permit him to hold peaceful possession of the entire leased area till the expiry of the period of lease and also to pay to Government year-after-year large sums as Royalties and rents. It is, therefore, humbly prayed that Government would be pleased to issue revised orders in this respect.

X

Yours faithfully
V. Nagappa
Applicant
(Mine Owner and Contractor)

(V) Encl:

Development (J) Dept

Endorsement No. 131981 J/52-1 Dt 26.11.52

Vide A on P.1 above

Referred to the Collector of Bellary for remarks.

25/11/52
Assistant Secretary to Govt.

25/11/52

Contd Hy 25/11

25/11/52

To The Collector of Bellary.
(with copy of Pp 1-7 of) and (V) in original.
R. Dis. 25-12-52

V. Nagappa
MINE OWNER & CONTRACTOR

Tel. VINAG

BELLARY.

Ref. No.

Dated 25th Feb 1952

The Collector
Bellary.

Sir,

Sub: Mines - Mining lease - Iron ore - Ingligi village S.No.212 B - Hospet taluk - Protection - requested:

I beg to submit that I applied in June 1949 for the mining lease for Iron ore in S.Nos.210, 211 D 211 E 212 B and 299 of Ingligi village, Hospet taluk. After due inquiry, consideration and observance of all conditions and rules concerning the grant of the lease, the Government of Madras on the recommendation of the Collector, were pleased to grant in their G.O.Ms.No.4080 dated 7-10-50 a mining lease for a period of 20 years.

The Collector has in his Rc.No.2674/50-A.1 dated 28-4-51 permitted me to enter upon the said area and to commence mining operation forthwith. Accordingly I reported on 16-5-51 of my entry upon the land and commencement of work. Since then I am continuously working the mine.

For the year ending 31-12-1951 I have paid to the Government a Royalty of Rs.13,495. The railway department has also got to the extent of Rs.1,48,445 as railway freight on the quantity of ore railed.

To my surprise I received a registered letter on 21-2-52 from one Mr. M. Srinivasan (Clerk, Mechanical stores, Tungabadra Project, Munirabad) claiming S.No.212 B as his, and threatening legal action, damage etc., I am enclosing a copy of his letter and my reply to the same for your perusal and information. All these years Mr. Srinivasan was keeping quiet. He never at any time entered upon the said land nor has he done anything to bring the land under plough. At present several persons apply for Government lands on plea of cultivation only to sell or to lease them away to mine owners. This action deprives Government a large amount of revenue and causes great inconvenience and difficulty to regular and bonafide miners. In fact these lands are not fit for cultivation nor the applicants have capacity and experience to cultivate. Even lands actually under cultivation are being sold for mining purposes.

I beg to submit that Mr. Srinivasan out of jealously and greedy to make some easy money has started to play this game. The land in question, S.No.212 B is not fit for cultivation. I request your good-self to inspect the area as soon as possible.

Ex 16

6 I have legally obtained the lease of this area from the Government and have spent a large amount to develop the mine and the industry. I have already entered into an agreement with a firm in Bombay to supply one lakh of tons of ore. Any action of Mr. Srinivasan to hamper my work will entail financial loss to a tune of a few lakhs of rupees. S.No.212 B is unfit for cultivation and Mr. Srinivasan is not a person to do agricultural work. His notice to me shows only an evil intention.

7 It will not be out of place to state that I worked very hard, spent time and energy to approach various officers of railway department Government of Madras and the Central Government to get concession of railway freight and reduced it from Rs.17-14-0 to Rs.11/- per ton. This concession is being enjoyed not only by myself but also others ~~also~~.

8 Since I have obtained the lease legally from the Government of Madras entered upon the land with the permission of the Collector and working the mines in accordance with the rules. The interference and thereatening of Mr. Srinivasan is unwarranted, illegal and done out of jealousy, spite and greed.

9 I request your protection in the matter and from being unnecessarily worried, troubled and so that I may quickly hold and enjoy the rights and privileges demised to me during the term of lease perform my work.

10 I pray you to take early action against this unwarranted intererene of Mr. Srinivasan.

I beg to remain
Sir,
Yours faithfully
sd V.Nagappa
Mine owner & Contractor.

True copy

V. Nagappa

13498/52

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R.O. C. No. 2700/52 A12 Dated. 17.1.53.

7495

From
Sri.D.R.Sundaram, I.A.S.,
Collector, Bellary.

To
The Secretary to Government,
Development Department, F.S.G.
Madras.

Sir,

Sub:- Mines- M.L. Iron ore- Bellary Dt. Hospet Taluk- Ingligi village- expunging 12.12 acres from the area granted to Sri. V. Nagappa- Reconsideration of orders of Government- petition of Sri. V. Nagappa- report submitted.

Ref:- G.O.Ms.No. 4735/52 Development Department dated. 6.11.52.
petition from Sri. V. Nagappa dated. 18.11.52.
Govt. Endt. No. 131981 J/52-1 dated. 26.11.52.
Govt. Memo No. 131981/J/52-2 dated. 30.12.52.

The lessee Sri. V. Nagappa has submitted the following points, requesting the Government to reconsider their orders passed in G.O. Ms. 4735 Development Department dated. 18.11.52.

1) That S. No. 212 B in question was included by him in his prospecting and lease applications submitted by him in June 1949.
2) That the intention of Sri. M. Srinivasan is not to cultivate the land but to dispose it of to others for mining operations.
3) That the land has not been so far cultivated by Sri. Srinivasan
4) That the assignment of the land was made to Sri. Srinivasan in 1950; long after the petitioner had applied for the lease in June 1949 and that it would be profitable to Government, if the land is assigned on mining lease as it contains good mineral deposits.

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5) That the location of S. No. 212 B is such that without if the petitioner cannot conveniently work his mines without hindrance from the parties.

6) That the question of giving a separate Railway siding to the petitioner is engaging the attention of the Railway administration and that the road for a Railway siding is to be laid only through S. No. 212 B in question.

The conclusion the petitioner has submitted that the Govt. will derive more income in the shape of Royalty, Railway fright S.No. 212 B is lease out for mining operations.

All the above points were considered by me in my report to Govt. R.O.C. 2700/52 A1 dated. 24.7.52 and I suggested that the assignment of the land S. No. 212 B to Sri. Srinivasan may be cancelled and any other Govt. land may be assigned to him, as Sl. No. 212 B will fetch more Revenue to Govt. if it is leased out for mining operations. But the Govt. were not pleased to lease out S. No. 212 B for mining operations. In the above circumstances I request the Govt. to pass orders as they deem fit on the present petition of the lessee Sri. V. Nagappa.

The following records are submitted for persual and return.

1) R.Dis. 2674/50 dated. 7.5.51.
2) D.Dis. 8121/49 M dated. 7.2.50
3. R.Dis. 8318/49 dated. 5.9.49
4) The sketch submitted by the lessee Sri. V. Nagappa along with this petition

request that the receipt of the above Records may be acknowledged at an early date.

snvr. 17.1.

17/1/53

For Collector

24/5/52

From
J

development (J) dept

Memo No. 131981 J/52-4 dt 4/2/53

Mines – Mining lease – (Bellary) – Hospet Taluk – Jughigi Village – orders passed in G.O No. 4735 dev dt 6.11.52. Request for reconsideration – Orders passed

Ref:- From Sri. V. Nagappa, Bellary petition dt. 18.11.52
From the Colr. of Bellary R.Oc. 2700/52-A.2 dated 17.1.53.

pp1-7 cf
pp11-12 cf

Sri. V. Nagappa is informed that the Govt. see no reason to revise the orders already passed in G.O No. 4735 dev dated 6.11.52

Vide A enc 2 ref.

2. The following records are returned to the Colr. of Bellary:-

1. R.Dis 2476/50 dt 7.5.51.
2. D.Dis 8121/49. M. dt 7.2.50; and
3. R.Dis 8318/49. dated 6.7.49

(P)
(N)
(F)

P.T.O.

3rd ltr

The Collr. is requested to acknowledge the receipt

3.2.53

4/2/53

5-2-53

To

and Agent Sri. V. Nagappa
Mine owner & Contractor
Bellary (para. only)

By Regd. Po. AD To The Collr. of Bellary (white) with records at (P) (N) and (N) in original

Copy to the DFEC.

R.D. 28.2.53

2700/52 /12 131981/52 Dated. 13.2.53. 15

From
Sri. [illegible]ndara[illegible], I. .
Collector, Bellary.

To
The Secretary to Government,
Development Department, Fort. St.
George. Madras.

17324/52

FIFTH ASSISTANT SECRETARY TO GOVERNMENT
14 FEB 1968
DEVELOPMENT DEPARTMENT

Subj:- Mines- Mining Lease- (Bellary) Hospet Taluk - Imrati village- orders passed in G.O. No. 4735 Dev. dated. 6.11.52- Request for reconsideration- orders passed- Receipt of records- acknoqledged.

Ref:- Govt. Memo. No. 131981 C/52-4 dated. 4.2.53.

The folloing records have been received in my office.

1. R.Dis. 2674/50 dated. 7.5.51.
2. D.Dis. 8121/49-A dated. 7.2.50 and
3. D.Dis. 8319/49 dated. 5.9.49.

For Collector.

snvr. 13.2.

A | Secrety Dev Dept
Please put up papers 17
14/6/53

The Hon'ble Minister for Industries to the Government of Madras

Government of Madras

Fort St. George, M a d r a s. 76017 J 15/6/53

HON'BLE MINISTER FOR INDUSTRIES AND LABOUR
13 JUN 1953

SUBJECT: Mines - Mining Lease - Iron ore - Bellary district Hospet taluk - Ingligi village - Expunging 12-12 - acres from area leased 401.64 acres in G.O.Ms.No. 4080 Development Department dated 7-10-1950 - Re-consideration of orders of Government - requested

SECRETARY TO GOVERNMENT
15 JUN 1953
DEVELOPMENT DEPARTMENT

Reference: G. O. Ms. No.4735 Development Department dated 6-11-1952.

PETITION BY SRI. V. NAGAPPA, MINE OWNER & CONTRACTOR, BELLARY

**

Your petitioner applied to the Government of Madras for the issue of a mining lease to him of S.Nos.210, 211 D, 211 E, 212 B 213 B and 299 of the village of Ingligi in Hospet taluk in Bellary district for the purpose of extracting Iron ore from the said S.Nos.

2 The said S.Nos. as can be seen from the plan attached herewith is a contiguous plot measuring in all 401.64 acres.

3 The Government of Madras was also pleased to issue a lease licence in his favour for the said S.Nos. by their order dated 7-10-1950 in G. O. Ms. No.4080 Development Department.

3 On receipt of the order cited above your petitioner made extensive arrangements and spent large sums of money for the clearing of the ground, laying out the necessary roads to facilitate quick and easy transport of ore and employed a large number of labourers. Further, he also made some progress in making arrangements for the laying of a railway siding to the spot from the railway station of Papinayakanahalli. This was done mainly for the reason that these S.Nos. are contiguous and close to the Bellary Hospet trunk road which runs almost parallell to the railway line near about the same area. While the petitioner was making the necessary arrangements for the further progress of his work he was surprised to receive an order dated 6-11-1952 passed in G. O. Ms. No.4735 Development modifying its own order dated 7-10-1950 passed in G. O. Ms. No.4080 deleting and expunging an extent of 12.12 acres covered

by S.No.212 B of the said Ingligi village from the Original lease. The said order of modification stated that the S.No. had been applied for by one Mr. M. Srinivasan, a political sufferer, and that his application was earlier in point of time. This statement of fact, it is respectfully submitted is not correct so far as the information goes and even if his application is earlier in point of time still it cannot outweigh the reason in favour of your petitioner on the following grounds.

(1) The lease granted in G. O. Ms. No. 4080 dated 7-10-1950 is a concluded contract which cannot be reopened and the alleged application of Section 20 of the Indian Contract Act relied upon in G. O. Ms. No. 4735 dated 6-11-1952 is inapplicable. That section only concerns a mutual mistake and it cannot be said that your petitioner committed any such mistake. On the other hand the proper provision of law applicable in the circumstances of the case is Section 22 of the Indian Contract Act which clearly says that a contract is not voidable because it was caused by one of the parties to it being under a mistake as to the matter of fact vide A.I.R. 1929 Calcutta 670 at 672 which states as follows:-

"The general principle as to mistake of fact is codified in section 22 of contract act where it has been laid - down that a contract is not voidable because it was -- cuased by one of the parties to it being under a mistake as to a matter of fact.' It is further stated in the same decision 'however that may be the ground upon which the decree holder sougnt for reopening the proceedings was that there was a mistake, which must have been due to his negligence or to the negligence of his own agents. This cannot be a ground for reopening the proceedings. It would be against all fundamental principles on the ground that a party can be relieved of a contract on account of the mistake or negligence of himself or his servants or agents. " It is thus evident and apparent that the order of modification dated 6-11-1952 in G. O. Ms. No. 4735 Development is illegal and has to be set aside.

Your petitioner further submits that even on other grounds of justice, equity as well as the financial and industrial interest of the state, the order of modification is unjust and is liable to be set aside.

4 In the circumstances your petitioner humbly refers you to his letter dated 18-11-1952 addressed to the Secretary to the Government, Development Department, Government of -- Madras as a reply to G. O. Ms. No-4735. Your petitioner is submitting herewith a true copy of the said communication - which may be also read as part and parcel of this memorandum.

5 Another material fact to be noticed in this is that your petitioner's application out of which arose the lease dated 7-10-1950 in G. O. Ms. No.4080 Development, was made even in the year 1949 whereas the political sufferer's application was made after this only in the year 1950, and your petitioner has reason to believe that the said Sri. Srinivasan has been made to apply for S. No.212 B with ulterior motive at the instance of some rival of the petitioner.

6 The petitioner also further submits that in so far as an assignment of land to Mr. M. Srinivasan the political sufferer is concerned there is no question of a concluded contract and it is only a benefaction which the Government voluntarily and for no consideration confers upon him and as such any other agricultural land may be assigned to him in lieu of S. No.212 B.

6 The petitioner is producing herewith a plan of the entire area originally assigned to him and S. No.212 B which is now sought to be expunged is shown in Blue colour and it can be seen at a glance how it acts as a wedge for the entire route for transport and would lead to several boundary disputes and acts as encroachment etc.,

7 Besides these, your petitioner begs to draw your attention to the following further grounds to be considered in his favour.

(1) The said S.No.212 B along with other numbers was covered in the prospecting and lease application of the applicant submitted in June 1949. The lease was recommended after observances of all the formalities after receipt of reports from concerned officials viz. Tahsildar, Revenue Inspector, Karnam and Collector;

(2) that the applicant has in his application dated 20-2-52 clearly represented the objects and intention of Sri. M. Srinivasan is threatening the lessee with leagal action and claim for damages etc., in his notice. It has also been stated by the applicant that the said land is not at all cultivated or any traces of agricultural operation found. The said M. Srinivasan who was all along silent seems to have been suddenly roused and set up by some-other mining rivals.

(3) the said assignment of the land in question is reliably learnt to have been ordered in about 1950 long after the lessee had already applied for the lease in 1949 itself. The applicant therefore is entitled for preferential claim. Apart from this the land S.No.212 B though classified as ASSESSED WASTE along with other adjoining lands which are not fit for cultivation is also not suitable for cultivation. This contains good mineral deposits and Government have duly sanctioned the lease based on this consideration, recommendations and reports of the concerned officials. The applicant also understands that such lands containing mines and possessing mineral value should not be assigned on Patta.

(4) the location of the land S.No.212 B is such that it is actually amidst other lands leased to the applicant and expunging this particular land from the lease causes great hindrance to the peaceful working of the applicant, apart from incurring heavy untoward financial loss since he has invested large sums over mining operations and effecting mineral development. Government have also been encouraging lessees to take on lease such S.No. immediately adjoining the one leased out to them for mining with a view to prevent undue interference by other parties causing inconvenience. For example, the applicant had applied for only a sub division S.No.243 of Ingaigi village and has subsequently agreed to take the said S.No. entirely to prevent encroachment and inconveniences. A sketch showing the position of S.No.212 B is enclosed;

(5) Provision of a separate railway siding to the applicant is engaging immediate attention of Railway administration. This involves heavy financial investment on the part of the applicant but it is an essential facility ~~of~~ to facilitate easy and quick transport of ore. The road for this purpose also has to be laid through this S.No.212 B;

(6) An important financial implication in the retention of the S.No.212 B in the lease to the applicant is to be considered by the benign Government. Government are expected to receive most appreciably large sums of money in the shape of Royalties rents etc., whereas there will be only negligible income in the shape of land cess annually, that too remaining unpaid for few years or in very many cases for various reasons. For instance, the applicant has credited a huge sum of Rupees 13,495 towards royalty and surface rent of Rupees 270-13-0 for the period ended 31-12-1951 on 9-1-1952 and 6-5-1952 respectively. The applicant is expected to remit approximately another sum of about Rupees 25,000 for the ensuing period ending 31-12-1952 at Re.1/- per ton. Railway administration which is also a branch of Government also receives lakshs of rupees of revenue in the shape of railwa

freight at Rs.15/- to 22/- per ton on the ore transported by the applicant.

(7) the applicant feels that the statement of Sri. M. Srinivasan complinant, stating that he obtained patta of the said land in 1949 itself, is not correct as the order was during 1950. Sri. M. Srinivasan has not at all carried out or taken any steps to bring the land under plough even till this day. His representation that he collected stones etc., is not true. A personal inspection of the land will reveal true state of affair. Mining pits will be found on the land;

(8) while appreciating generosity of Foreign Government in assigning some land to political sufferers like Sri. M. Srinivasan the applicant humbly requests the Government to assign any other land (Government Assessed Waste land) in favour of the gentleman considering the financial implications involved. The said Sri. M. Srinivasan has also not carried out the conditions of the assignment and he has not only failed to cultivate the land himself but has also even entered upon the land and the land itself is unfit for agricultural operations.

(9) the reference to the Indian Contract Act Section 20 of Indian Contract Act referred to in G. O. Ms. No.4735 Development dated 6-11-1952 is irrelevent and incorrect. There was no mistake whatsoever on the part of the applicant. Even on the part of the Government really there was no mistake. On the otherhand the proper section to be applied is section 22 of the Contract Act and as such the applicant's right to S.No.212 B of Ingligi village cannot be re-opened at all.

8 On the otherhand in view of the circumstances of this case, Government may grant another land to Sri. M. Srinivasan, the Political Sufferer. Situation of the lands leased to the applicant is such that if S.No.212 B is now deleted the entire lease becomes almost infructuous. A careful perusal of the lie of the land will show it. The applicant therefore prays that an opportunity to be given to him to explain the situation before the disposal of this application as the non-compliance of this request will involve heavy damages due to big contracts entered into by the applicant on account of the entire lease.

9 The applicant humbly prays Government to permit him to hold peaceful possession of the entire leased area till the expiry of the period of lease and also pay to Government year-after-year large sums as Royalties and rents. It is, therefore, humbly prayed that Government would be pleased to issue revised orders in this respect

11/6/53

Petition submitted to the Hon'ble
Minister for Industries to the
Government of Madras
by
V. Nagappa, Mine Owner & Contra-
ctor, BELLARY.

94/2117

29

Development Dept

Memo No. 7601 D 53. 2—b, 21.7.53

Mines — Mining lease — Iron ore — (Bellary) — Hospet Taluk — Jugligi Village — lease granted to Sri V. Nagappa — Request for reconsideration of orders passed in G.O No. 4735 dated 6.11.52 — Petition — Rejected

Ref:— From Sri V. Nagappa, Bellary, petition dated 11.6.53

The petition is rejected

21/7/53

21-7-53

21-7-53

To Sri V. Nagappa,
Mine owner and Contractor,
Bellary

Copy/Order to Collr. of Bellary
Copy/Order to D FSO

From

Sri. Vadde Nagappa
Mine-owner & Contractor
Brucepet, Bellary

ASSISTANT SECRETARY TO GOVERNMENT
19 AUG 1953
GOVERNMENT SECRETARIAT

193699 J
19.8.53

The Hon'ble Minister for Industries & Commerce
Government of India
Delhi.

APPEAL PETITION AGAINST THE ORDER OF THE PROVINCIAL GOVERNMENT OF MADRAS UNDER RULE 57 OF MINERAL CONCESSION RULES 1949.

****

The appellant submits as follows for kind consideration of Government:-

1. In June 1949 the appellant applied for grant of lease of S.No.210, 211 D, 211 E, 212 B, 213 B and 299 of Ingligi village, Hospet taluk, Bellary district for mining iron ore. Before submitting the application for lease the appellant verified and found that those lands were Government lands classed as Assessed Waste and without any encumbrances. The Madras Government started inquiry on the application of appellant. The areas in question were inspected by the Karnam who maintains accounts of lands cultivated, uncultivated, assessed waste, poramboke etc., and subsequently by the Revenue Inspector, the Tahsildar. They having satisfied after personal inspection of the lands and concerned records recommended the grant of lease of the lands. The District Collector also after due verification of the reports of his subordinate was for granting the lease. The Government of Madras Development department in their G. O. Ms. No.4080 dated 7-10-50 were pleased to sanction a mining lease for a period of 20 years.

2. After lapse of 2 years the same Government in November 1952 issued orders in their G. O. Ms. No.4735 Development dated 6-11-1952 expunging an area of 12.12 acres covered by S.No.212 B from the area already leased to me in G. O. Ms. No.4080 Development dated 7-10-50;

3. The reason for the subsequent action of the Madras Government was that the said land, S.No.212 B was granted on pattah to one Mr. N. Srinivasan stated to be a political sufferer.

4. The appellant begs the Government to revise subsequent order of the Madras Government and do him justice in the light of following facts;

(a) the appellant has right of priority for the land since the said S.No.212 B was granted on patta to Mr. M. Srinivasan as reliably learnt by the appellant in 1950 long after the application of the appellant for the lease of the said land. Preference should be shown to the first applicant. The Collector should have rejected the application of Mr. M. Srinivasan on the above said ground but this was not done why I am unable to say;

(b) the S.No.212 B though classified as Assessed waste along with the adjoining lands which are leased to appellant is not fit for cultivation but it contains mineral deposits;

(c) when the appellant entered into upon the said land S.No.212 B there were no traces of any agricultural operation. It is not true to say that Mr. M. Srinivasan collected stones etc., with the intention of cultivating the land;

(d) the S.No.212 B is located amidst other lands leased to the applicant for mining operations. The expunging this particular land from the area leased to the appellant causes great hinderance to the peaceful working of the appellant besides incurring heavy financial loss other as the appellant invested large sums over mining operations and other developments. To avoid hindrance to work and unnecessary encroachment and to ensure peaceful working the Madras Government was pleased to encourage the appellant to take on lease S.No. 243 B adjoining the areas already leased when the appellant wanted only a sub-division of this S.No.243 and granted the lease of whole S.No.;

(e) the appellant is corresponding and arranging with the Railway authorities for providing a separate railway siding for transport of ore and a road for this purpose is also to be laid through this S.No.212 B;

5. In this circumstances Mr. M. Srinivasan suddenly put in a petition claiming this S.No.212 B. He was a resident of Hospet village about 4½ miles from mines. He know the mine was being worked and ore transported to Hospet railway station and was silent for more than a year and it is therefore

apparant that he has been set up by some other mining rival. On 20-2-52 he sent a notice to the appellant threatening him with legal action and claim for damages. The appellant represented to the Collector of Bellary under date 25-2-52 setting forth the unreasonable claim and attitude of Mr. M. Srinivasan. A copy of the same is enclosed for your kind information;

6. The land S.No.212 B is not fit for cultivation. The only object of Mr. M. Srinivasan is to lease the land for mining to some other rival mine owner or to collect the ore and sell. This is against the condition of assignment. The appellant has also brought to the notice of the authorities concerned by a report dated 6-8-53 the intention of Sri. M. Srinivasan in extracting from the said S.No. two stacks of iron ore and he has also violated the terms of the grant as he has till now failed to carry out agricultural operation nor has he any such intention in his conduct in collecting ore for sale clearly indicates.

7. The Government of Madras have relied upon section 20 of the Indian Contract Act which they have referred to in their order G. O. Ms. No.4735 dated 6-11-52. It is clearly inapplicable in this case. Neither the appellant nor the Government of Madras have committed any mistake for the application of this section. On the otherhand the correct and proper section to be applied is section 22 which prohibits

8. The appellant has entered into big contract to supply large quantity of ore and non-compliance of the request of the appellant will interfere in various ways with the fulfillment of the contract which will entail heavy financial damage to the appellant. The situation of the lands leased to the appellant is such that if S.No.212 B is now deleted the entire lease becomes almost infructuous. The appellant has also sent a sketch to Government of Madras, Development department showing the lie of the said S.No.212 B.

N.3649 J/53 37 pt 7

9. The appellant begs to suggest that Mr. M. Srinivasan be given a cultivable land in lieu of S.No. 212 B as he is a political sufferer as this S.No. 212 B is uncultivable, it being purely a land with minerals.

The appellant humbly begs to submit that the Madras Government seems to have refused to reconsider their order and rejected my (Dy) petition in their Memo No.76017 J/53-2 dated 21-7-53 for reasons best known to them, the order being absolutely silent as to the grounds for their order.

The appellant humbly prays that the Central Government would kindly consider the appellant's case favourably and set aside the order of the Government of Madras, Development department dated 21-7-1953 thus permit him to hold peaceful possession of the entire leased area for the period of lease.

Thanking you very much in anticipation.

I beg to remain
Honoured Sir,

V. Nagappa

Encl:

Development (J) Dept

A.S: pp1-7 above is only a copy of the appeal petition from Sri V. Nagappa against the orders passed in G.O No. 4735 Dev dt 6.11.52 No action is called for on this.

Bellary
15-8-'53

May be lodged and added to G.O No. 4735 Dev dt 6.11.52

23-8-53

20/8/53

Copy of letter dated 6th August 1953 to the Tahsildar, Hospet

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Sub: Mines - M.L. Iron ore Hospet taluk - Ingligi village - granted to Sri. V. Nagappa - S.No.212 B - Report

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I beg to submit the following for favour of necessary immediate inspection and orders:-

(1) An extent of 12.12 acres of S.No.212 B of Ingligi village covered under Mining Lease in my favour in G. O. Ms. No.4080 Development department dated 7-10-50 stated to have been assigned in favour of Sri. M. Srinivasan a political sufferer has been expunged from the area leased to me as per order G. O. No.4735 dated 6-11-52. My petition dated 11-6-53 to the Government of Madras, Development department has been rejected in their Memorandum No.76017 J/53-2 dated 21-7-53. I am prefering an appeal on this to the Central Government, Delhi.

(2) Sri. M. Srinivasan has entered upon the land and has extracted iron ore from the said S.No.212 B and stacked the same thereon. There are two stacks existing in the said S.No.

(3) It is needless to say again that the land is best suited for mining than for cultivation.

(4) My people objecting to the extraction of iron ore by the said Sri. M. Srinivasan did not have any effect. Hence I am constrained to bring this to your kind notice in writing for necessary remedy.

(5) I presume that I am correct in stating that the said S.No. was assigned to the gentleman (political sufferer) not for mining but for self-cultivation. This causes unnecessary complication. and trouble.

I request you to kindly investigate the matter as early as possible and redress my grievance.

Thanking you,

Sd. V. Nagappa

True copy

41 41

Government of Madras

Development Department

Memorandum No.76017 J/53-2, dated 21-7-1953..

Sub: Mines - Mining Lease - Iron ore - (Bellary) - Hospet Taluk - Ingligi Village lease granted to Sri. V. Nagappa - Request for reconsideration of orders passed in G. O. No.4735 Development dated 6-11-1952 - Petition Rejected.

Ref: From Sri. V. Nagappa, Bellary, petiton dated 11-6-1953

The petition is rejected.

T. V. Krishnankutty Warrier
Assistant Secretary to Government.

Forwarded/By order

Sd. K. Manickam
Superintendant.

True copy

43 43

Government of Madras

Abstract.

Mines - Mining lease - Iron ore - Bellary district - Hospet taluk Ingligi village - S.Nos.210, 213 and 299 - Extent 401.64 acres - Grant to Sri. Vadde Nagappa - Orders issued in G.O.No.4080 Development dated 7-10-1950 - Modified.

Development Department

G. O. Ms. No.4735 Dated 6--11--1952

Read again:-

G. O. Ms. No.4080 Development dated 7-10-1950

Readalso:

From the Collector of Bellary No.2700/52-A1 dated 24-7-52
From the Director of Industries and Commerce No.J/3290/52-1 dated 28-6-52.

ORDER:

In G. O. Ms. No.4080 Development dated 7-10-50 Sri. Vadde Nagappa of Bellary was granted a mining lease for iron ore over an extent of 401.64 acres in S.Nos.210, 211 D, 211 E, 212 B, 213 B and 299 of Ingligi village, Hospet taluk, Bellary district for a period of twenty years. It has now been brought to the notice of the Government that even before the issue of orders granting the lease, a plot of 12.12 acres in S.No.212 B of Ingligi village had been assigned to Sri. M. Srinivasan a political sufferer. The Government therefore direct that in partial modification of the orders issued in G. O. Ms. No.4080 Development dated 7-10-1950 Sri. Vadde Nagappa of Bellary be granted a mining lease for iron ore for a period of 20 years over an extent of 389.52 acres in S.Nos. 210, 211 D, 211 E, 212 B, 213 B and 299 of Ingligi village, Hospet taluk, Bellary district, subject to the same conditions as laid down in G. O. Ms. No.4080 Development dated 7-10-1950.

2. At the time of grant of the lease, both the parties viz. Sri. Vadde Nagappa and the Government were under a mistake of the fact of the assignment of 12.12 acres of the land to Sri. Srinivasan, that is to say regarding the Government's title over this place of land. As thus, the lease was granted and taken up under mutual ignorance of facts. Section 20 of the Contract Act will be attracted and the lease already granted to Sri. Vadde Nagappa, including the area of 12.12 acres already assigned to Sri. Srinivasan, will be rendered void. The Collector is therefore requested to take action for executing a fresh deed in respect of the reduced area.

(BY ORDER OF THE GOVERNOR)

S. Arul Dos
DeputySecretary to Government

To
The Director of Industries and Commerce
The Collector of Bellary
Sri. Vadde Nagappa, Mine owner and Contractor,

Forwarded/By order/

Sd. K. N. Rangaswami
Superintendant.

True copy

45 X 15

Copy of letter dated 20th February 1952 from Sri. M. Srinivasan, Mechanical and Stores Division Thungabadra Project, Munirabad to Sri. Vadde Nagappa, Mining Contractor, Bellary.

"Sir,

I am in legal possession of and enjoyment of the site S.No.212 B of Ingl-gi village by virtue of the assignment of the site granted to me by the Collector of Bellary in 1949.

Eversince the assignment of the said site I have carried out necessary repairs to it at a cost of Rs.500/- unhampered by anybody during its repairs in 1951. I collected all the stones found on the surface and formed boundaries out of them. I cut off the forest growth in the said site and levelled the site and made it fit for cultivation. I stopped work in 1951 as the cultivation season was over.

I proceeded to my field some time back to finalise the repairs and make it fit for being ploughed and cultivated. But to my surprise I found that a number of pits were dug in my land, and the stones removed therefrom stacked in it. Inquiries go to show that you have tresspassed in my land and caused all this damage to it for collecting he stones that are in the land. I also found that the boundaries that I formed last year were tampered with and the stones have also been removed. Further investigation revealed to me the strength on which you have tresspassed into my land and caused all this damage and havoc.

I have therefore approached the Government to rectify the inadvertance if any comitted by them and clarify my position as a legal owner of the said site. Lending their final decision in the matter my legal advisors have advised me to take legal action to assert my rights as assignee of the said site against you and the Government if necessary. But before rushing to a Court of Law I propose to settle the matter by a frank discussion with you out of court to save my legal expenditure, you from the inconveniences and the Government from embarrasment. I hope you will appreciate the accomodative spirit with which the proposal is made. As I am employee I find it impossible to leave the station to meet you in person for an amicable settlement if possible. Please therefore take notice that you or your authorised agen agent may meet me at any time within 3 days from the date of receipt of this notice and settle the matter out of court so that unnecessary complications arising out of the attempts to assert out rights may be avoided.

If you fail to make arrangements for a frank discussion as proposed by me with in the specified time I will construe that you do not like amicable settlement of the matter and I will be put to the painful necessity of asserting my rights as assignee of the site and take such legal action against you primarily and against the Government if necessary as I may be advised by my legal advisor.

Sd. M. Srinivasan
20-2-52

True copy"

Copy of letter dated 25th February 1952 to the Collector of Bellary

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Sub: Mines - Mining lease - Iron ore - Ingligi village S.No.212 B - Hospet taluk - Protection - requested

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I beg to submit that I applied in June 1949 for the mining lease for iron ore in S.Nos.210, 211-D, 211-E, 212-B, 213-B and 299 of Ingligi village, Hospet taluk. After due inquiry, consideration and observance of all conditions and rules concerning the grant of the lease, the Government of Madras, on their recommendation of the Collector, were pleased to grant in their G. O. Ms. No.4080 dated 7-10-1950 a mining lease for a period of 20 years.

The Collector has in his Rc.No.2674/50-A.1 dated 28-4-51 permitted me to enter upon the said land area and to commence mining operation forthwith. Accordingly I reported on 16-5-51 of my entry upon the land and commenced work. Since then I am continuously working the mine.

For the year ending 31-12-1951 I have paid to the Government a royalty of Rs.13,495-0-0. The railway department has also got to the extent of Rs.1,48,445/- as railway freight on the quantity of ore railed.

To my surprise I received a registered letter on 21-2-1952 from one Mr. M. Srinivasan (Clerk, Mechanical Stores, Tungabadra Project, Munirabad), claiming S.No.212 B as his, and threatening legal action, damage etc., I am enclosing a copy of his letter and my reply to the same for your perusal and information. All these years Mr. Srinivasan was keeping q iet. He never at any time entered upon the said land nor has he done anything to bring the land under plough. At present several persons apply for Government lands on plea of cultivation only to sell or to lease them away to mine owners. This action deprives Government a large amount of revenue and causes great inconvenience and difficulty to regular and bonafide miners. In fact these lands are not fit for cultivation nor the applicant has capacity and experience to cultivate. Even lands actually under cultivation are being sold for mining purposes.

I beg to submit that Mr. Srinivasan out of jealously and greedy to make some easy money has started to play this game. The land in question s.No.212 B is not fit for cultivation. I request your good-self to inspect the area as soon as possible.

I have legally obtained the lease of this area from the Government and have spent a large amount to develop the mine ~~xxxxx~~ ~~fixx~~ and industry. I have already entered into an agreement with a firm in Bombay to supply one lakh of tons of ore. Any ~~xxxxxx~~ action of Mr. Srinivasan to hamper my work will entail financial loss to a tune of a few lakh of rupees. S.No.212 B is unfit for cultivation and Mr. Srinivasan is not a person to do agricultural work. His notice to me shows only an evil intention.

It will not be out of place to state that I worked very hard, spent time and energy to approach various officers of railway department, Government of Madras and the Central Government to get concession of railway freight and reduced it from Rs.17-14-0 to Rs.11/- per ton. This concession is being enjoyed not only by myself but others also.

Since I have obtained the lease legally from the Government of Madras entered upon the land with the permission of the Collector and working the mines in accordance with the rules, the interference and threatening of Mr. Srinivasan is unwarranted, illegal and done out of jealously, spite and greed.

I request your protection in the matter and from being unnecessarily worried, troubled and so that I may quietly hold and enjoy the rights and privileges demised to me during the term of lease and perform my work.

I pray you to take early action against this unwarranted interference of Mr. Srinivasan.

Sd. V. Nagappa
Mine owner & Contractor

True copy

Notes

Development Department(J)

Sub:MINING - Mining Lease - Iron Ore - Bellary district - Hospet Taluk - Ingaligi Village - S.No.212-B Protection petition of Sri V.Nagappa - Report Submitted.

Ref:From the D.I & C.J/3290/52-1 d/28/8/152

To A.S.

In G.O.Ms.No.4080 Dev. d/7/10/1950 Sri V.Nagappa of Bellary was granted a mining lease for iron ore over an extent of 401.64 acres on S.Nos.210,211 D, 211 E, 212 B, 213B and 299 of Ingiligi village, Hospet taluk, Bellary district for a period of twenty years. Even before the issue of orders granting the lease ~~were issued~~, the Collector had issued orders in his R.Dis.8318/49 d/5/9/49 ~~the Collector had granted~~ granting an assignment of 12-12-acres in S.No.212-B to one Sri Srinivasan, a Political sufferer, While submitting the proposal for the grant of the mining lease, the Collector did not bring this to the notice of the Govt. Hence, the mining lease granted to Sri V. Nagappa included the area already assigned to Sri Srinivasan. When Srinivasan came to know that the land assigned to him was also leased to Sri Nagappa, he issued a notice to Sri Nagappa, to vacate his land. Sri Nagappa has in turn represented to the Collector that he should not be dispossesed of the land assigned to Srinivasan, as he has contracted with a Bombay firm for supplying large quantities of manganese. The Collector has therefore referred the case to Govt. for orders.

2.The Collector of Bellary has pointed out that the mining lease granted to Sri V.Nagappa cannot be cancelled unless for contravention of certain of the covenants as provided in the lease deed. He has also stated that according to B.S.C ~~B.B.~~ 15, the assignment also cannot be cancelled at the discretion of Govt. He has however suggested that as according to one of the conditions in Form D, the Govt. have reserved themselves to the right to mines and quarrying subject to payments of compensation, and that the assignment granted to Srinivasan might be cancelled. He has stated that by adopting this course, the Govt. may stand to gain by way

higher royalty to be collected from Nagappa. The D. I & C. has however pointed out that as the assignment was made even prior to the grant of the lease, the Govt. have become dispossessed of their powers to leawe the land and that as the order granting the lease over the land assigned to Srinivasan was due to a mistake of fact the mining lease granted to Sri Nagappa may be modified excluding to area assigned to Srinivasan.

It is submitted that the views taken by the D.I & C. appears to be correct. Revenue and Legal may see for remarks.

21.9.52.

24.9.52

24.9.52

Rev

Legal

Rev Dept

Rev.O.9926/52-1

25/9/52

ADDITIONAL ASST. SECRETARY TO GOVT. 25 SEP 1952 76355 F REVENUE DEPARTMENT

For A.S

The note of Rev on pp 1-2 above may be perused. 'A' above may be agreed to in this Dept. The file may be passed on to Legal.

31052

30.9.52 - Legal

1/10/52

2.10.52

Legal (Opinions) Department.

This Department agrees that the mining lease granted to Sri V.Nagappa for the extraction of iron ore in certain plots in Ingaligi village, Hospet taluk, which were assigned to Sri Srinivasan, a political sufferer earlier to this lease is void. Here, there was a mistake as to the title of the Government to give mining lease in respect of the

Rev.O.76355F/52-1

3-10-52

ASSISTANT SECRETARY 15729 6 OCT 1952 LEGAL DEPARTMENT

p.t.o.

properties and this being a case of mutual ignorance section 20 of the Contract Act will apply - see in this connexion Mt. Rani Kunwar vs. Mahbub Baksh (A.I.R.1930 All.252).

114639 J
Dev.11.052

Legal L.O. 15729/52-1
5.10.52

9-10-52

Development (J) Dept

A.S.

Note from p.1. above may be perused. Legal Dept. agree with the views of the Dept that the mining lease granted to Sri. V. Nagappa for the extraction of iron ore in respect of a certain portion of the area covered by G.O No. 4080 Dev dated 7.10.50 is void as the land has already been assigned to Sri Srinivasan a political sufferer. In the circumstances, it is for orders whether the lease granted to Sri Nagappa in G.O No. 4080 Dev D, 7.10.50 may be modified by excluding therefrom an extent of 12-12 acres in S.No. 212/B of Ingaligi Village, which had been assigned to Sri Srinivasan, and he be asked to execute a fresh lease for an correct area.

15.X.52

A/ Contract Act

Above portion of Sec 20 of the Contract Act

15/10/52

A.S.

Above extract of Sec. 20 of the Indian Contract Act is pointed at (R) 'B' above may be agreed to.

20/10/52 20.X.52

21/10/52

22.X.52

23

'B' agreed to

28/10

(PFL)

4

A.S. Orders in circulation on p.3 above may be perused.

A draft order is submitted below for approval

3.11.52

5/11/52

5/11/52

D/S. 6.11.52

Transmitted G.O.No. 4735 dated 6.11.52 P.S.C.

Exhibit (R) 5

Extract from Section 20 of the Indian Contract Act 1872.

Agreement void where both parties are under mistake as to matter of fact.

20. Where both the parties to an agreement are under a mistake as to a matter of fact essential to the agreement, the agreement is void

Explanation:-

An erroneous opinion as to the value of the thing which forms the subject-matter of the agreement is not to be deemed a mistake as to a matter of fact.

Illustrations.

(a) A agrees to sell to B, a specific cargo of goods supposed to be on its way from England to Bombay. It turns out that, before the day of the bargain the ship conveying the cargo had been cast away and the goods lost. Neither party was aware of the facts. The agreement is void.

(b) A agrees to buy from B a certain horse. It turns out that, the horse was dead at the time of the bargain, though neither party was aware of the fact. The agreement is void.

(c) A being entitled to an estate for the life of B, agrees to sell it to C. B was dead at the time of the agreement but both the parties were ignorant of the fact. The agreement is void.

/ (TRUE EXTRACT) /

CNP. 131981 T/52

Development Dept

Mines - M.L. Iron ore - Bellary Dist Hospet Taluk - Inglighi Village - S.No. 210 etc. Extt. 401-64 ac - orders passed in G.O No. 4735 Dev dt 6.11.52 - Requestfor revision - from Sri V. Nagappa Bellary, petition dt 18-11-52 from the Collector of Bellary No. Rev. 2700/52-A1 dated 17.1.53

A.S:

The petition from Sri. V. Nagappa at pp 1-7 cf and the remarks of the Collector of Bellary thereon at pp: 11-12 cf may be perused.

2 In G.O No. 4080 Dev dated 7.10.50 Sri. V. Nagappa of Bellary was granted a mining lease for iron ore over an extent of 401-64 acres in S.No.s 210, 211 D, 211 E, 212 B and 229 of Inglighi Village, Hospet Taluk, Bellary dt. for a period of 20 years. In September 1952 it was brought to the notice of the Govt. that even before the issue of the orders granting the lease, a plot of 12-12 acres in S.No. 212 B of Inglighi Village had been assigned to one Sri. M. Srinivasan - a political sufferer. Orders were therefore issued in G.O No. 4735 Dev dated 6.11.52 excluding this portion of the plot from the lease.

3 For the reasons stated at pp 1-7 cf, Sri V. Nagappa has requested the Govt. to revise the orders passed in G.O No. 4735 Dev dt 6.11.52. The petitioner has pointed out in this connection that the reference to Sec 20 of the Indian Contracts Act refered to in the G.O is irrelevant and incorrect. He pleads that there was no mistake what so ever on the part of the applicant as well as the Govt re the facts.

It is submitted that all the aspects of the question had been examined in detail before orders

P.T.O.

8/

121

30/30/1

were issued in G.O No. 4735 Dev dt 6.11.52 — Vide notes p 5 c/f (A) and orders at pp 1-3 of (A)

It will be seen that the land in question had been assigned to Sri. M. Srinivasan in Collector's R Dis No. 8318/req dated 5.9.req itself whereas the application for mining lease in respect of this area was made by Sri Nagappa only in January 1950. The whole position was examined in consultation with the legal dept who expressed the opinion that the lease in respect the plot was void as there was a mistake as to the title of the Govt. thereto.

S

In the circumstances it is for orders whether the petitioner may be informed that Govt. see no reason to revise the orders already passed in G.O No. 4735 Dev dt 6.11.52

A

28/1/53

28/1/53

28/1/53

D.S.

SECRETARY TO GOVERNMENT 2 FEB 1953 DEVELOPMENT DEPARTMENT

may agree to A above

29.1.53

1.2.53.

DEPUTY SECRETARY TO GOVERNMENT 2-FEB 1953 DEVELOPMENT D.

AS:

A above:—

A draft Memo is submitted for approval.

6/2/53

3.2.53

[Issued as Memo No. 13(987 I)52-4 Dev dt 4.2.53] pp 3-4 c/f —

[From the Coll. of Bellary No. Rev 2700/52 dt 13.2.53] p.1 c/f

AS: The letter from the Coll. of Bellary at p.1 c/f may be perused

P.T.O

1349/1752

9/3

No further action is called for.
The papers may be lodged and added
to G.O No. 4735 dtd 6.11.52

(A)

16/2/53

Development(J)Department.

CMP-7601/D/53 Reduction in area

pp1-9 cf

Mines - Mining Lease Iron Ore - (Bellary) - Hospet Taluk - Ingligi village - Previously granted - Representation from Sri V.Nagappa -

From Sri V.Nagappa, Bellary petition dated 11-6-53.

Extracts of the minutes of M(I & L) at p.1. c.f.

Secretary Develop. Please put up papers.

U. KrishnaRao
14-6-53.

A.S.

✓ pp 21-27 cf (M)

In G.O.No. 4080 Dev. D/7-10-50, Sri V.Nagappa of Bellary was granted a mining lease for iron ore over an extent of 401-64 acres in S.Nos.210,211.D, 211.E, 212.B, and 299 of Ingligi village Hospet Taluk, Bellary Dist. In July 1952 it was brought to the notice of the Govt. that even before the issue of the orders granting the lease, a plot of 12.12 acres in S.No.212. B. of Ingligi Village had been assigned to one Sri M.Srinivasan, a plitical sufferer. The ~~whole position~~ question was examined in consultation with the legal Dept. who expressed the opinion that the lease in respect of the plot was void as there was a mistake as to the tilte of the Govt. thereto. Orders were therefore issued in G.O.No.4735 Dev.Dated 6-11-52 excluding this portion of the plot from the lease originally granted.

re pp3-4 cf (N)

(N) X on pp 2-3 nf (N)

✓ p.5 cf (N)

In November 1952 Sri Nagappa represented to Govt. that the orders reducing extent should be revised. He pointed out that the reference to Secn.20 of the Indian Contracts Act referred to in G.O.No.4735 Dev. d/ 6-11-52 was irrelevant and incorrect. He pleaded that there was no mistake whatsoever on the part of the ~~application~~ applicant as well as the Govt. regarding the facts. He also pointed out that the assignment of the plot to the political sufferer was made in 1950 whereas he applied for the plot in 1949 itself.

+ pp7-13 cf (N)

(N) A on p.11 cf (N)

— ibid —

✓ A on p.9 cf (N)

(p.t.o.)

The above contentions of the petitioner had already been examined and it was decided that there was no reason to revise the orders already passed. He was also informed accordingly in the Memo at pp.13-14 c.f.(M).

In his petition at pp.1-9 c.f., Sri Nagappa has again urged for reconsideration of the orders passed in G.O.No.4735 Dev.D/6-11-52. His main contentions are:-

(i) that the lease originally granted to him in G.O.No.4080 Dev.D/7-10-50 is a concluded contract which cannot be reopened and the alleged application of Sec.20 relied upon in G.O.No.4735. Dev.d/6-11-52 is inapplicable as that section only concerns mutual mistake and as he cannot be said to have committed any such mistake; and

(ii) that the assignment of the plot in question to the political sufferer was ordered in 1950, long after he (the petitioner) had applied for the lease over the plot.

Contention (i) above:-

Attention is invited to the opinion given by the Legal Dept. at X on pp 2-3 n.f.(N) on which the G.O. has been based. It would seem that the contention of the petitioner that sec.20 of the 'Contract Act" is inapplicable to this case, is not tenable. Legal may however see.

Contention (ii) above:-

The same allegation was made by the petitioner in November 1952 also. It was found on examination of the original records of the Collr's Office, that the plot in question had been assigned to Sri M. Srinivasan, the political sufferer, in Collrs. R.Dis No.8318/49, dated 5-9-49 itself whereas the application for mining lease in respect of the area

A mp 2 nf (N)
+ p 5 cf (N)
⊛ pp 13-14 cf (N)

X mp 1 cf
+ p.5 cf (N)

⊛ pp 21-27 cf (M)
Vide A mp 3 cf
+ p.5 cf (N)

B mp.7 cf

X mpp 2-3 nf (N)

A

+ A mp 3 cf (N)
⊛ Vide X mp 2 nf (N)

P.T.O.

7601/J/53

13

was made by Sri Nagappa only in January 1950.

This contention is also, thus, not correct.

In the circumstances it would seem that there is no ground for reconsideration of the position.

Legal may see w.r.t. A on p.1 above, before circulation.

22/6/53
Supdt. A.D.

22/6/53

D.S. 25-6-53

Legal (Opinion)

Deptt. No. 7601/J/53 1—
25-6-53

ASSISTANT SECRETARY 10427 20 JUN 1953 LEGAL DEPARTMENT

LEGAL (OPINIONS) DEPARTMENT.

The fact that Sri V. Nagappa applied in June 1949 will not alter the legal position that at the time of the grant of the mining lease that is, in October 1950 both the parties, namely, the petitioner and the Government were under mistake as to a matter of the fact essential to the agreement. At the time the lease was granted, the land measuring 12.12 acres in the plot for which Sri Nagappa applied had already been assigned to Sri Srinivasan. Government had no right to grant mining lease in respect of this land. Both the Government and the petitioner were under the impression that the land remained undisposed of by the Government. So, the case clearly falls within the scope of section 20 of the Indian Contract Act. This department therefore agrees with the views expressed by Development at A on page 2 ante.

Legal O.O. 10427/B4
10/7/53

8729 J
10/7/53

9-7-53

9/7/53

Dev't Dept.

FIFTH ASSISTANT SECRETARY 10 JUL 1953 DEVELOPMENT DEPARTMENT

4 v

7601-J-53

4
18/7

Development (J) Dept.

A.S.

Note from p.1. above may be perused.

The file relates to the representation from Sri V.Nagappa against the orders passed in G.O. No. 4735. Dev., d/ 6-11-52, excluding an extent of 12.12 acres from the lease granted to him as this portion of the land had already been assigned to one Sri M.Srinivasan, a political sufferer.

The contentions of the petitioner have been examined in consultation with the Legal Dept. and it is found that there is ~~not ground~~ no ground for reconsideration of the petition. It may be mentioned in this connection, that on a similar representation received from him, Sri Nagappa ~~has been~~ was informed in this Dept. Memo dated 4-2-53, that the Govt. saw no reason to revise the orders already passed. In the circumstances, it is for orders whether the petition at pp1-9 cf may be rejected.

The file may be circulated to M(I & L) w.r.t. his minutes at A on p.1. c.f.

pp 1-9 cf

pp 5 cf (N)

pp 1-3 above

Vide Sl. no. 3 above

pp 7-13 cf (N)

pp 13-14 cf (N)

13/7/53
14-7-53

A
14/7/53
17

may be rejected
D.S. Gupta
17.7.53

Petition Rejected
C Krishna Rao
A
C 9/7/53

DEPUTY SECRETARY TO GOVERNMENT
20 JUL 1953
DEVELOPMENT DEPARTMENT

M (9 & C)

A.S.: A above:— A draft Memo is submitted below for approval. After issue, the pp may be added to the G.O. at (N)

A
21/7/53

21-7-53

Issued as Memo No. 7601/J/53-2 dt 21-7-1953

NO. 71

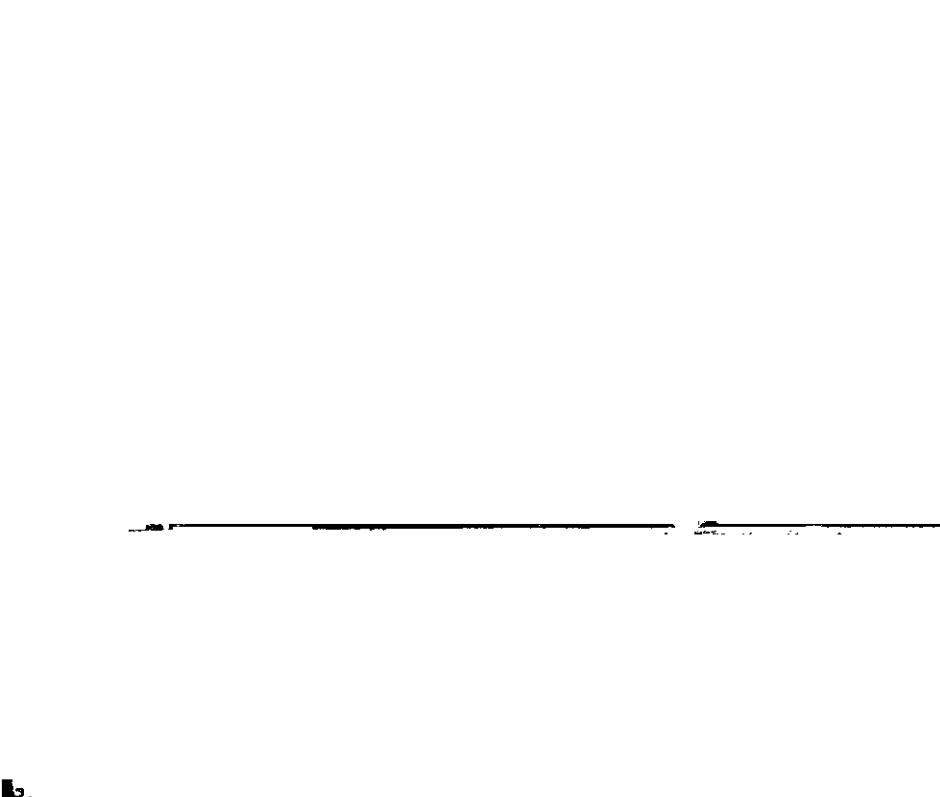
INGLIGI VILLAGE

Combined sketch 210, 211, 212, 213, 299

Total Area 401 Acres and 64 Cents

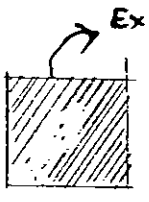
233

274



70. Vadrahalli Village

A. C

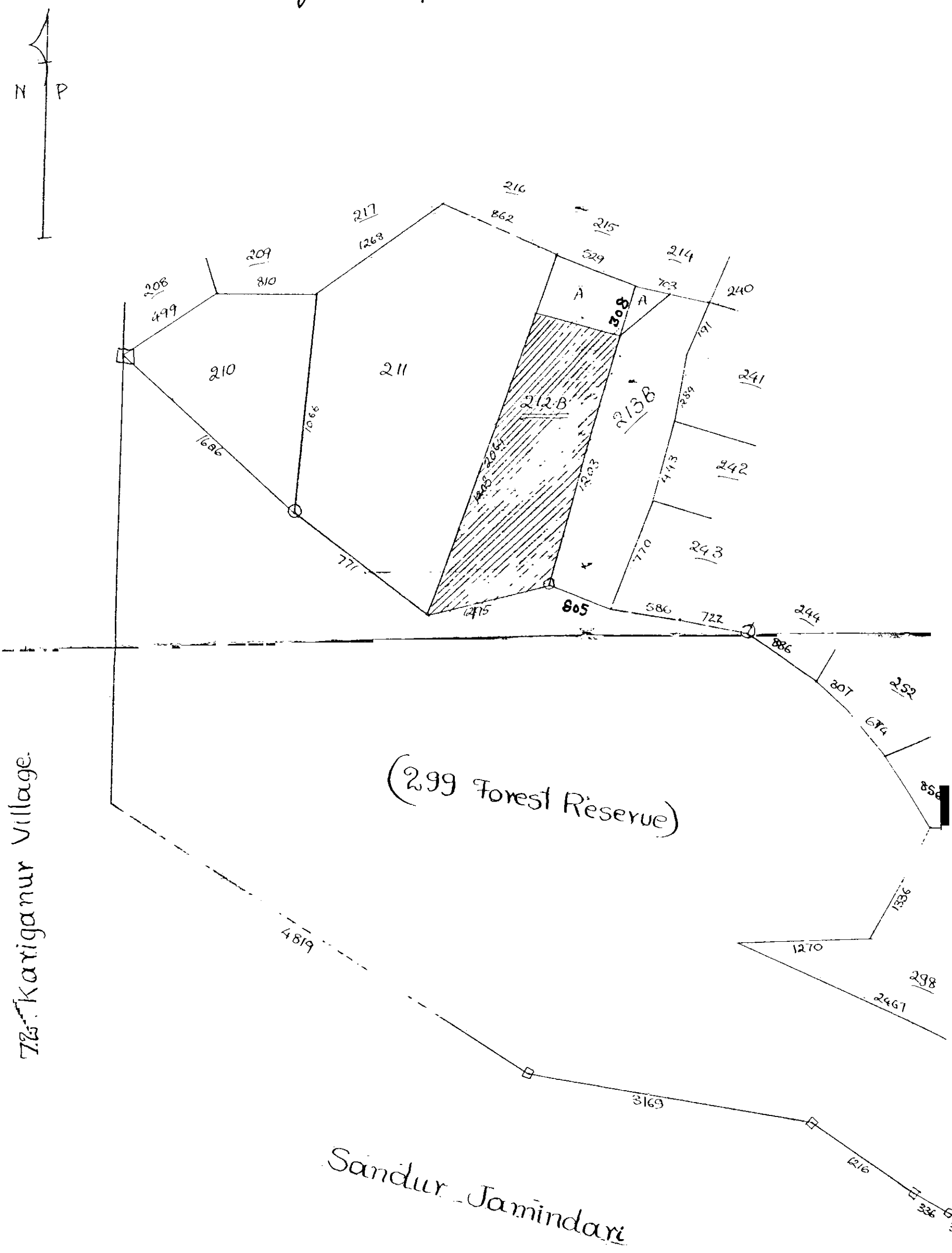


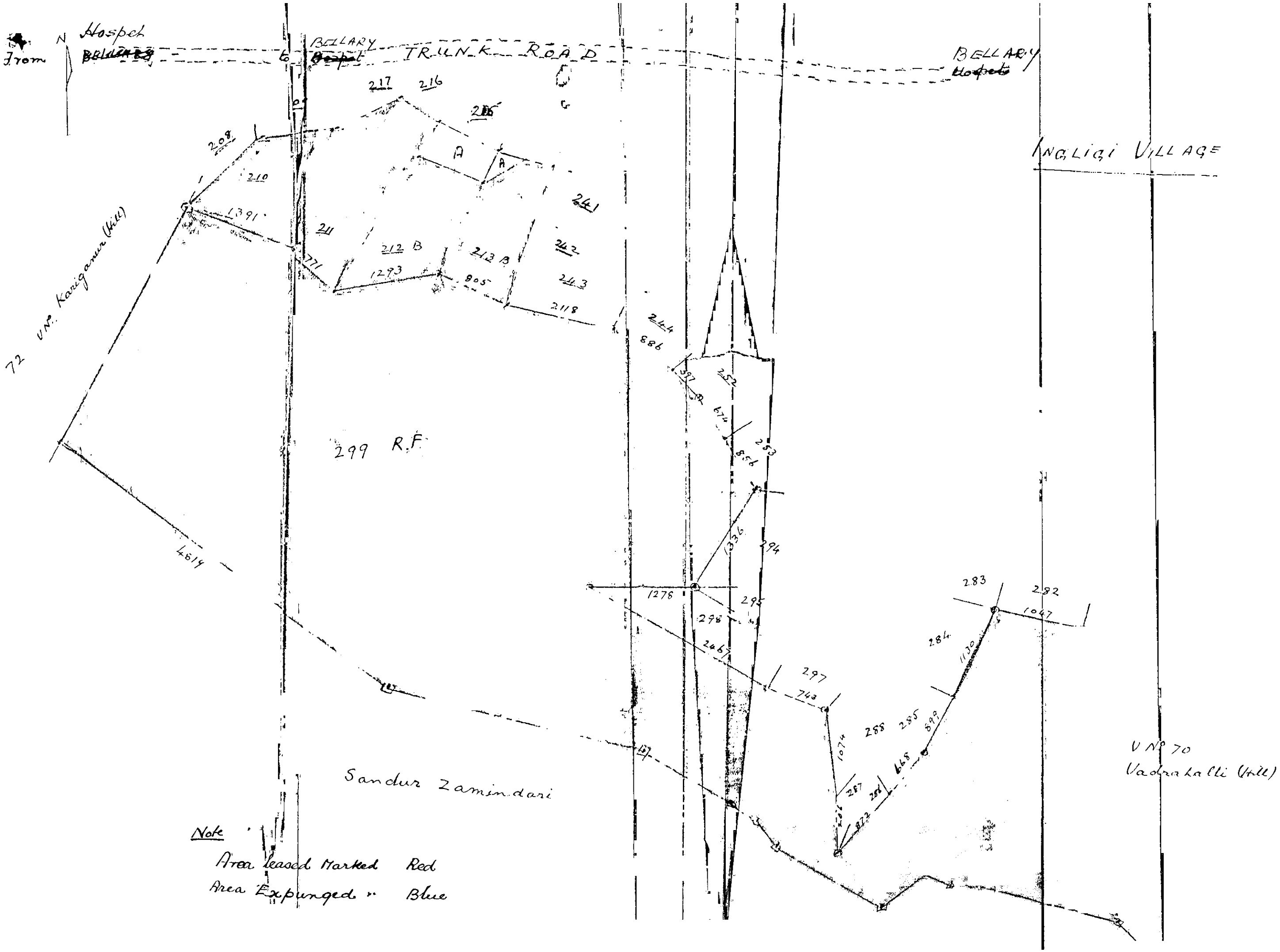
Portion marked thus represents S No 212B now proposed to be deleted for the entire leased area.

V-Nagappa
mining lessee.

District = Bellary.

Taluq = Hospet





Note

Area leased Marked Red

Area Expunged " Blue